



# NEWSLETTER



December 2011

## TENNESSEE FSA Office

**Gene Davidson**  
State Executive Director

579 Federal Building  
Nashville, TN 37203

615-277-2600 phone  
615-277-2659 fax  
[www.fsa.usda.gov/tn](http://www.fsa.usda.gov/tn)

**Hours**  
Monday - Friday  
7:30 a.m. - 4:30 p.m.

### State Staff

Frank Rodgers  
Chief, Farm Loans

Tammy Tidwell  
Chief, Farm Programs

Tyeisha Samples  
Administrative Officer

## Returning FSA County Committee Election Voting Ballots

Ballots for this year's county committee election have been mailed. Voters must complete their ballots and return them to the Farm Service Agency county office by the close of business on **Dec. 5, 2011**. If mailed, ballots must be postmarked by midnight Dec. 5, 2011.

Eligible voters in a local administrative area who have not received a ballot should contact the FSA county office staff.

**Voter Requirements** Persons meeting requirements in **1 or 2, plus 3**, below, is eligible to vote:

- 1.** Be of legal voting age and have an interest in a farm or ranch as any of the following:
  - An individual
  - The authorized representative of an entity
  - Both spouses when property is owned jointly
  - Spouses in community property states.
- 2.** Is not of legal voting age, but supervises and conducts the farming operations on an entire farm.
- 3.** Participates or cooperates in any FSA program that is provided by law.

## FSA Adopting GovDelivery

The USDA Farm Service Agency offices are moving toward a paperless operation.

Producers are asked to enroll in the new GovDelivery system which will provide notices, newsletters and electronic reminders instead of a hard copy through the mail.

FSA, like many other organizations, is trying to work smarter and be more efficient. Moving to electronic notifications via email will help conserve resources and save taxpayer dollars.

County Committee ballots will continue to be mailed to all eligible producers.

Producers can now subscribe to receive free e-mail updates by going to

<http://www.fsa.usda.gov/subscribe>.

## 2012 DCP/ACRE Sign-up

2012 Direct and Counter-Cyclical Program (DCP) enrollment will begin Jan. 23, 2012 and will end June 1, 2012. Here are some **IMPORTANT REMINDERS**:

- All producers planting on **DCP base** acres must be identified on the DCP/ACRE contract and receive a proportionate share of DCP/ACRE payment for the farm.
  - Changes on the farm after enrolling June 1<sup>st</sup> in DCP/ACRE **must** be reported to your local FSA office such as:
    - Ownership changes
    - Producer changes (Individuals and Entities)
    - Change in crop shares arrangements
- Note:** No changes after Sept. 30, 2012.

## Supplemental Revenue Assistance Program (SURE)

The sign-up for 2010 losses runs through **June 1, 2012**.

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters that incurred in the crop year 2010. SURE is  
*Continued on Page 2 SURE*

*Continued from Page 1 SURE*  
available to eligible producers on:

- Farms in counties with Secretarial disaster declarations, including contiguous counties, that have incurred crop production or quality losses, or both, and includes all crops grown by a producer nationwide, except grazed crops.

- Any farm in which, for the crop year, the actual production on the farm because of disaster-related conditions is 50 percent or less than normal production of the farm.

## **Farm Loan Programs**

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available.

Ask your lender about an FSA loan guarantee if you've had a setback and your lender is reluctant to extend or renew your loan.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans have a maximum limit of \$1,214,000. This makes the maximum combination of direct and guaranteed loan indebtedness \$1,514,000.

The one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans has increased from 1 percent to 1.5 percent of the guaranteed portion of the loan, for loans obligated after October 1, 2011.

To find out more about FSA loan programs, contact the county office staff.

## **LDPs for Unshorn Lamb Pelts**

Eligible producers have until Jan. 31, 2012, to apply for Loan Deficiency Payments (LDP) for unshorn pelts produced during the 2011 crop year.

Eligible producers must have beneficial interest in the pelts, owned the lamb for at least 30 calendar days before the date of slaughter and sell the unshorn lamb for immediate slaughter. Producers must also comply with wetland conservation and highly erodible land conservation

provisions on all lands they operate or have interest in.

To qualify for payment, pelts must have been produced by an eligible producer from live unshorn lambs of domestic origin in the United States.

## **Disaster Assistance Programs**

FSA disaster assistance programs include:

- Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP)
- Livestock Forage Disaster Program (LFP)
- Livestock Indemnity Program (LIP)
- Supplemental Revenue Assistance Payments (SURE) Program
- Tree Assistance Program (TAP)

To be eligible for these programs, producers must have purchased catastrophic risk protection insurance for all insurable crops, and coverage for non-insurable crops under SURE, TAP, and ELAP. Sign-up ends Jan. 30, 2012, for LFP, LIP, and ELAP. Producers have 90 days from the time a loss is apparent to file an application for TAP.

Farm-Raised Fish means all fish being produced for sale by an eligible producer. In the case of honey, the term "farm" means all bees and beehives in all counties that are intended to be harvested for a honey crop by the eligible producer.

Producers who meet the definition of Socially Disadvantaged, Limited Resource Producer, or Beginning Farmer or Rancher, are not required to purchase the catastrophic insurance.

## **IRS Form 1099-G**

Producers annually receive CCC-1099-Gs detailing payments producers have received from the Commodity Credit Corporation. The annual report of program payments on the CCC-1099-G is a service intended to help our customers report taxable income. It is not intended to replace the producers' responsibilities to report income to IRS.

FSA staff cannot interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy.

## Commodity Loans

Commodity loans, also referred to as Marketing Assistance Loans, are available to producers who share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if you regain beneficial interest.

Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

## Maintaining the Quality of Loaned Grain

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

## Unauthorized Disposition of Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

## Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans

are available for operating type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of Socially Disadvantaged Applicants.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of a group.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

## Spousal Signatures

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

There are exceptions to the rule, where spouses may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities.

Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

## Hispanic and Women Farmers

A process to resolve the claims of Hispanic and women farmers and ranchers who believe they were discriminated against when seeking USDA farm loans has been established.

If you believe that the United States Department of Agriculture (USDA) improperly denied farm loan benefits to you between 1981 and 2000 because you are Hispanic, or because you are female, you may be eligible to apply for compensation.

For additional information on this and other settlement issues contact:

### •Hispanic and Women Farmer Claims

#### Process:

[www.farmerclaims.gov](http://www.farmerclaims.gov) or call 1-888-508-4429

### •Pigford – The Black Farmers

#### Discrimination Litigation:

[www.blackfarmercase.com](http://www.blackfarmercase.com) or call 1-866-950-5547

### •Keepseagle - The Native American Farmers Class Action Settlement:

[www.IndianFarmClass.com](http://www.IndianFarmClass.com) or call 1-888-233-5506

County Office Name  
Address  
City, State, Zip



PRESORTED STANDARD  
U.S. POSTAGE PAID  
**CITY, STATE**  
PERMIT #XXX

## Rural Youth Loans

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount \$5,000. Contact FSA for details.

Selected Interest Rates for December 2011	
90-Day Treasury Bill	0.125%
Farm Operating - Direct	1.50%
Farm Ownership - Direct	3.375%
Limited Resource	5.00%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency	3.75%
Farm Storage Facility-based on terms	1.500- 2.375%
Sugar Storage Facility	2.625%
Commodity Loans 1996-Present	1.125%

Dates to Remember	
Dec. 5	COC Ballots due back in County Office by COB
Jan. 23	2012 DCP Enrollment begins
Jan. 30	Sign-up ends Jan. 30, 2012, for LFP, LIP, and ELAP.
Jan. 31	Deadline to apply for Unshorn Lamb Pelts Loan Deficiency Payment

USDA is an equal opportunity provider and employer.